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TRAINING METHODS IN MUNICIPAL ENTERPRISES

ABSTRACT

The impact of change on the contemporary business is immense. Regardless of their position in an organisation, employees face changes every day. Change can cause uncertainty, anxiety and discouragement. Given that business processes are becoming increasingly specialised, businesses need to be able to adapt successfully to the demands of the market and changes in the business environment. Targeted and continuous training helps employees acquire skills and knowledge needed to respond to the challenges they face in the workplace.

The main goal of a business is to create value. Increasingly, businesses are starting to realise that human resources are one of the most important resources in achieving that goal. In today's business environment, the success of a company greatly depends on the competences and motivation of its employees. It is becoming increasingly difficult to maintain employee motivation and engagement, and achieve the desired business outcomes. Employee training is an important factor in meeting this challenge.

The paper presents the results of a survey on employee training methods used by municipal service companies in the Republic of Croatia. An analysis is given of various training methods, explaining the importance and purpose of some of them.

Keywords: Education, municipal service companies, business organisation, motivation

1. Introduction

The development of technology and globalisation of markets are increasing competitive pressures on businesses, forcing them to continuously improve their performance. Businesses are becoming increasingly aware that their success depends on their ability to stay abreast of new trends, to adopt new technologies, and develop all segments of business. In view of all that has been mentioned so far, many

companies have recognised the importance of continuous training of their employees.

Knowledge and competitive advantage are closely related in modern business. We live in the age of knowledge, i.e. the knowledge society or knowledge economy, as the new economy is called (Glavaš, 2012). Despite the growing awareness of the importance of continuous training, this topic is still under-researched.¹ The present paper aims to ex-

amine the availability of employee training opportunities in companies with complex organisational structures such as municipal service companies in the Republic of Croatia. Changes in these types of organisations are extremely frequent due to frequent changes in regulations.² A review of recent research shows that no previous studies have investigated this issue. Thus, there is a need to address this research gap and analyse the training opportunities provided to employees of such companies as well as their participation.

Primary research was conducted by means of a survey to examine the training methods and opportunities currently available to the employees of the observed companies. The paper identifies key factors as well as training methods aimed at improving company performance. Specifically, the paper aims to determine the relationship between the management of a municipal service company and employee training management. Moreover, the paper explores and describes contemporary theoretical approaches to employee training in municipal service companies. The research points to the need for identifying the training needs of employees and developing training methods. Further empirical research is needed to analyse management perceptions about the impact of employee training on the performance of a company.

For the purpose of this paper, both off- and on-the-job training are examined. On-the-job training is delivered by a person who works for the company, usually one of the employees who has been trained and has specific qualifications, competences and skills needed for transferring his/her knowledge to other employees. Off-the-job training is provided by persons who do not work for the company. The training is delivered by external training providers either at the company premises or at an outside location.

A survey was done of a random sample of employees of municipal service companies. The profile of the respondents was diverse, in terms of their education level and position in the company.

The paper examines the availability of employee training opportunities in municipal service companies in the Republic of Croatia. It intends to determine whether municipal service companies invest in the training of their employees and whether they have an allocated training budget for the coming year. Furthermore, the paper aims to determine how often such organisations provide training to

their employees as well as the employees' attitudes towards training. The study also seeks to examine which training methods are most frequently used in municipal service companies in the Republic of Croatia.

2. Research methodology

This paper is based on comprehensive research as part of a doctoral dissertation defended at Josip Juraj Strossmayer University of Osijek, Faculty of Economics Osijek.³

For the purpose of this paper, the following research methods were used: analysis, synthesis, deduction, induction, abstraction, concretisation, generalisation, classification, etc. Furthermore, a descriptive statistical method, comparison, proving and disproving were used to test the hypotheses. 123 employees of several Croatian municipal service companies were surveyed. The respondents were of different age, gender, education level and work experience. The survey sought to determine whether municipal service companies invest in the training of their employees. The respondents were asked whether organisations they work in invest in employee training, how often they had an opportunity to participate in the training and which training methods were used.

3. The importance of employee training for business organisations

Evidence suggests that the implementation of employee training programmes contributes considerably to the efficient management and development of human resources. To survive and prosper in today's market, companies must meet the challenges of growing competition. Lack of knowledge and skills, i.e. adequate training for employees often leads to companies losing market share or falling behind their competition. More and more companies are becoming aware that money, time, and energy should be invested in the training of their employees. According to Noe et al. (2006), the growing use of knowledge is recognised as a highly-efficient training strategy. The training must develop more than just the basic skills in order for companies to achieve competitive advantage. It needs to be viewed in a more general sense as a way of creating intellectual capital. As such, it entails developing skills needed for performing a job, using technology

in the exchange of information with other employees, and understanding clients and the production system (Noe et al., 2006). Furthermore, it is necessary to raise employee awareness of the importance of continuous learning and sharing of information and knowledge for their performance and thus the quality of products and services. "Therefore, in an economy where the only certainty is uncertainty, knowledge becomes the one sure source of lasting competitive advantage. It becomes a major asset and lever for development" (Bahtijarević-Šiber, 1999).

In the late 1960s, researchers showed an increased interest in adult education as a result of attempts to radically increase learning opportunities for adult learners. The idea of adult education was conceived then and there and the concept of recurrent education was developed. It sought to provide individuals with various forms of education after they have completed their formal education with the aim of facilitating their adaptation to the increasingly complex challenges and conditions of work (Barić, 2004).⁴

The advancement of technology and the growing digitalisation of business systems have shifted the focus from physical strength to human intellect. "Knowledge management is not a new discipline; however, the development of information and communication technologies and globalisation trends have made it of central importance to companies seeking to respond to the increasing business challenges" (Aščić, 2016).

Other reasons to provide learning and training opportunities to employees are the growing complexity of workplace tasks, the rapidly changing and increasingly uncertain business environment, as well as the fact that new skills are required in the modern workplace.

To stay abreast of the current trends in the business environment, it is necessary to continually update employee knowledge and skills, considering the gap between knowledge acquired through formal education and that required in the modern workplace. The contemporary business environment is becoming increasingly complex, fast-paced, and uncertain. To keep up, it is important for modern businesses to adopt a proactive approach to employee development and make it a continuous priority as it is the only way for a company to survive and thrive. The human resource (HR) department has an im-

portant role in the organisation of on- and off-the-job knowledge and skills training programmes for employees. The HR department decides which employees need training keeping in mind the requirements of their job. Moreover, the HR department professionals often take on the role of trainers when there is a need to inform employees of the changes in the company's organisational structure, culture, etc.

"Various terms are used in the theory and practice of employee training and development. They are often used interchangeably, even though they have different meanings. Frequently used terms include, among others, learning, training, education, and development" (Bahtijarević-Šiber, 1999). Learning denotes the process of acquiring new skills and knowledge leading to permanent changes in the behaviour and thinking of an individual. The acquisition of knowledge, skills, and habits through training and practice are characteristic of learning; however, the conclusions on what was learned can be made only based on the changes in behaviour. Conclusions can be made about learning only when workplace behaviour or an individual's performance has changed. "Whether learning was successful can only be determined after the expected change in behaviour has occurred" (Bahtijarević-Šiber, 1999). Training is the time a single person or a number of persons spend engaged in a physical activity or developing or increasing their intellectual or physical capacity. According to Dessler (2015), in order to successfully conduct employee training, it is important that the organisation successfully trains managers who will later be in charge of the training and development of other employees. Employee training can be more or less structured. It is always linked to a particular workplace and aimed at increasing workplace performance. Therefore, we can say that training is a planned activity aimed at acquiring skills and knowledge required for a successful performance of a particular job or activity. "It is aimed at acquiring specific knowledge, skills, and techniques needed for a specific workplace and increasing employee performance" (Bahtijarević-Šiber, 1999). Education is a much wider notion than learning and training. Education enhances a person's overall cognitive potential and facilitates the acquisition of knowledge and skills needed for independent decision-making in various situations. "Education equips one with the competencies needed for

performing various jobs and provides a basis for further development” (Bahtijarević-Šiber, 1999). The new knowledge, skills and abilities enable employees to take on more demanding tasks and responsibilities in the workplace, advance their career, and prepare them for future challenges. The entire process starting with learning, to acquiring knowledge and consequent changes is called development. The concept of development is wider than the concepts of learning, training, and education because it includes the changes that occur as a result. Development involves activities aimed at preparing employees for future jobs and challenges. It is therefore important that it is timely planned and that it caters to the particular needs of the employee and job requirements.

Modern companies use various training methods and programmes, such as the following:

- Managerial skills training programme;
- Computer skills training programme;
- Communication skills training programme;
- Supervisory skills training programme;
- Professional skills training programme;
- Methods and procedures training programme;
- Consumer-relations training programme;
- Personal skills training programme;
- Employee relations training programme;
- Sales skills training programme.

The training and development of employees is a core HR department function which should be carefully considered and executed. Given that it is used to develop skills and expand knowledge in various fields, it is also a complex one. McCourt and Eldridge define managing human resources as “the way organisations manage their staff and help them to develop” (McCourt, Eldridge, 2003). “The end result of individual modules is important as the result of the entire training process depends on the success of each module” (Bahtijarević-Šiber, 1999). Companies today are aware of the importance of knowledge management and the need to identify knowledge gaps, and seek to help employees acquire new knowledge at the least possible cost. To achieve this goal, first they need to perform a train-

ing needs analysis. To this end, several analyses are carried out:

1. Organisational analysis - an analysis of the company's attitudes, culture, practices, goals, organisational structure, changes in business operations, market and competition, and available training resources, i.e. time and funds. The aim of this analysis is to identify company needs as well as attitudes towards the existing training programme.
2. Work analysis - analysis of the work as well as the tasks performed by employees based on which it is determined whether there is a need for training, what it should include, and what type of programme should be implemented. Work analysis focuses on the specific tasks performed by employees, i.e. job description. In this phase, it is very important to assess employees' current performance. Based on this analysis, it can be determined what knowledge, skills, abilities and personality characteristics employees need to have to perform their job. This analysis is also referred to as the analysis of tasks, knowledge, skills, and abilities.
3. Person analysis - identifies employees who need training. It is also called employee analysis. One should bear in mind that employees differ in their individual characteristics as well as knowledge and skills they possess. Thus, not all employees need the same training. Fey, Björkman and Pavlovskaya (2000) highlight that employees who possess a high level of skills and knowledge significantly contribute to the performance of their organisations, which clearly makes investing into their training and development a necessity. This analysis gives an answer to the question about the subject of training, i.e. the knowledge and skills it needs to focus on.

Based on the results of these analyses, the training objectives are set. Objectives are important because they allow the management to evaluate the effectiveness of training in terms of acquired knowledge and skills.

We differentiate between training goals and objectives. Training goals are defined in line with the goals of the company. They include, among others, increasing competitiveness, developing soft skills,

induction training to help new employees settle in their new roles, etc. According to Mayo (2001), soft, i.e. intangible assets are the most important new source of added value for an enterprise.

Training objectives describe how the acquired knowledge and skills will be translated into innovative solutions in everyday work and in the introduction of new products and services to avoid knowledge obsolescence. Training objectives are readily measurable outcomes because they relate to specific knowledge and skills which are commonly readily applicable in everyday work. To achieve these objectives, the content of the training programme needs to be customised to suit the specific needs of the business. Often, various training methods are combined.

“Training needs can be categorised into four groups. The content and methods of training are decided upon based on the identified needs. The four categories of needs are:

1. Training for the current role;
2. Acquisition of new knowledge and skills aimed at facilitating the process of adapting to changes in business operations and technology;
3. Career development and training aimed at advancement in the organisation or taking on more complex tasks and responsibilities;
4. Training and preparing of employees for future changes and tasks; training for the future and flexibility” (Bahtijarević-Šiber, 1999).

All these types of training are inherent parts of employee growth in the workplace and together make up a continuing process of training and development of an individual in a company.

4. Training venues

An essential part of training programme development is choosing the training venue. There are two types of training methods: on-the-job-training and off-the-job-training. The latter can be categorised into two groups: training provided in the company and outside the company, i.e. at education and research institutions, education centres, etc.

The choice of the training method depends on the identified training needs. An effective training

programme needs to identify the participants, the instructors, required skills and knowledge, knowledge gaps, venue and the most appropriate, i.e. effective delivery method. “Essentially, the company needs to identify employee training needs, training objectives, and target groups, and then create and implement the training programme” (Bahtijarević-Šiber, 1999).

4.1 On-the-job training methods

There are different methods of on-the-job training. Companies intending to implement on-the-job training programmes must have a clearly defined training policy in place with clearly defined roles and responsibilities. If the training is delivered by a manager, he/she must also be involved in assessing its outcomes. On-the-job training requires careful planning. The training programme must be adequately tailored and structured, the training materials must be created, and the procedure for monitoring and evaluating post-training performance must be set. Furthermore, it is very important that persons delivering the training are trained themselves. “The choice of the training method depends on the training objectives, time available for the preparation and delivery of training, available tools, as well as professional, didactic and pedagogical competencies of the trainer” (Vujić, 2008).

According to Bahtijarević-Šiber (1999), there are various on-the-job training methods:

- a) Upskilling
- b) Coaching
- c) Job rotation
- d) Internship
- e) Traineeship
- f) Mentoring
- g) Student practice.

4.2 Off-the-job training methods

The most common and most traditional off-the-job training method is a lecture. In addition to lectures, various methods use various technology tools to facilitate learning. Depending on the learning aid used, we can distinguish between audio-visual training, programmed learning, computer-based training, video training, etc. Some training methods, such as simulation and case studies, use

real-life situations or imitate real-life experiences to facilitate learning. A more traditional method of off-the-job training is a conference, i.e. discussion. Other off-the-job training methods include formal education, group training, and distance learning.

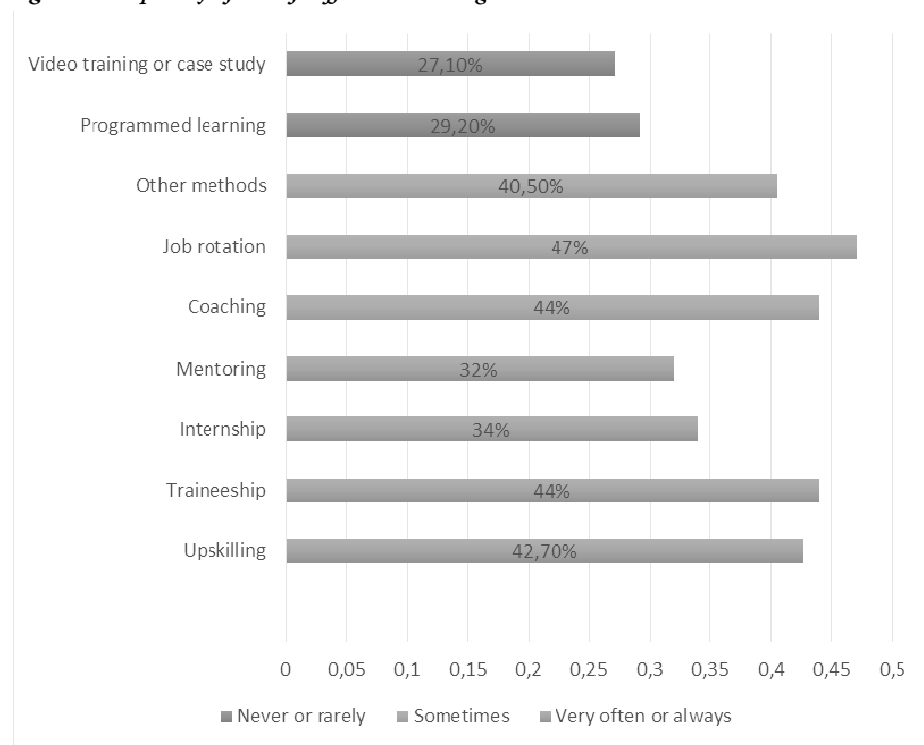
The success of the training programme does not depend solely on the choice of the training method. However, the appropriate choice will facilitate learning and the achievement of learning outcomes and it is therefore made by taking into consideration the particular situation and training objectives. Evidence suggests that some methods are more suited for acquiring new knowledge and skills, while others are better suited for changing employee attitudes. Some are suited for developing problem-solving skills; others are used for developing interpersonal skills. For instance, the most effective training methods for developing and increasing problem-solving skills are case studies and business games, “while sensitivity training (T-groups) and

role play are best suited for developing interpersonal skills” (Bahtijarević-Šiber, 1999).

5. Results of the survey

The surveyed municipal service companies use various training methods. The distribution of respondents' answers in terms of the frequency of use of specified training methods in their company is presented below. The respondents were allowed to choose more than one answer. The most frequently used methods include upskilling (42.7%), traineeship (44%), internship (34%), and mentoring (32%). 44% of the respondents reported using coaching, 47% used job rotation, while 40.5% used other training methods. Programmed learning was used rarely (29.2%), while 27.1% of the respondents reported rarely using video training and case studies. 29.9% of the respondents reported never using simulation and case studies, while 26.3% reported never using audio-visual techniques. The described data is presented in Figure 1.

Figure 1 Frequency of use of different training methods

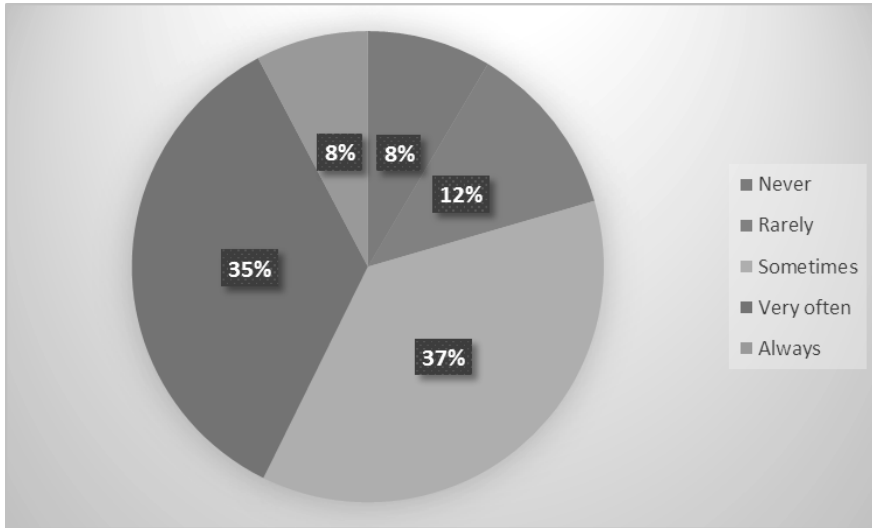


Source: Authors' research.

The most frequently used training methods include upskilling and traineeship. 8.5% of the respondents have never used upskilling, while 7% of them have never used traineeship. Upskilling was used rarely by 12%, and traineeship by 8% of the respondents.

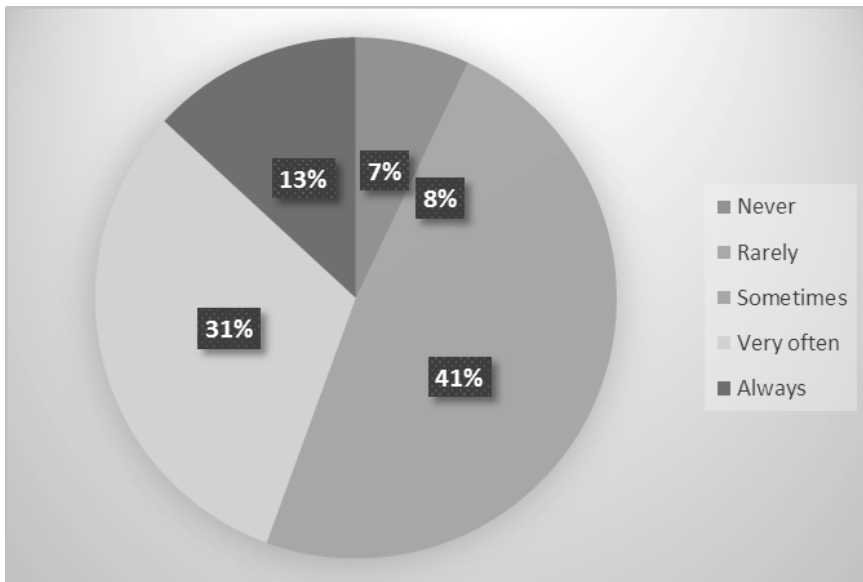
Upskilling and traineeship were used sometimes by 36.8% and 40% of the respondents, respectively. Upskilling and traineeship were used very often by 35% and 31% of the respondents, respectively. The results of the analysis are shown in Figures 2 and 3.

Figure 2 Upskilling



Source: Authors' research.

Figure 3 Traineeship



Source: Authors' research.

The next three paragraphs contain the results of analysis for internship, mentoring, and student practice.

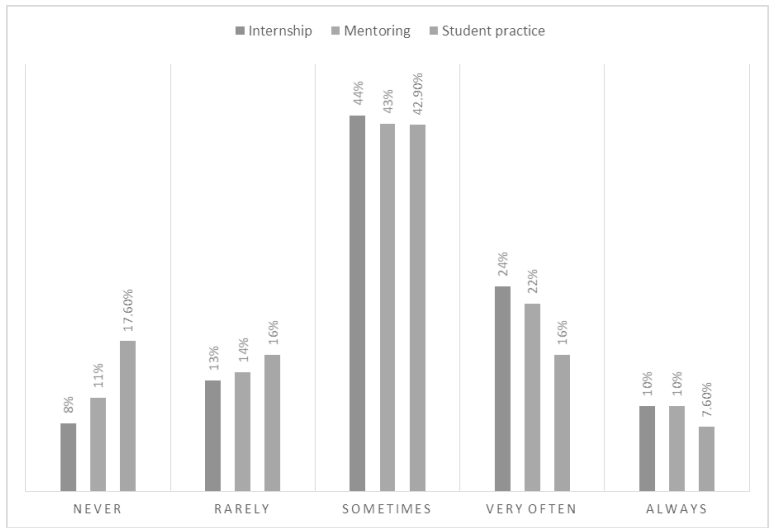
21% of the respondents reported never or rarely using internships, while 25% of them reported never or rarely using mentoring. 33.6% of the respondents reported using student practice never or rarely.

Internship was used by 44%, mentoring by 43%, and student practice by 42.90% of the respondents.

Internship was used very often or always by 34%, mentoring by 32%, and student practice by 23.6% of the respondents.

If we compare these three theoretically similar training methods, we can see that internship was the most frequently used method, while student practice was the least frequently used method.

Figure 4 Frequency of use of training methods

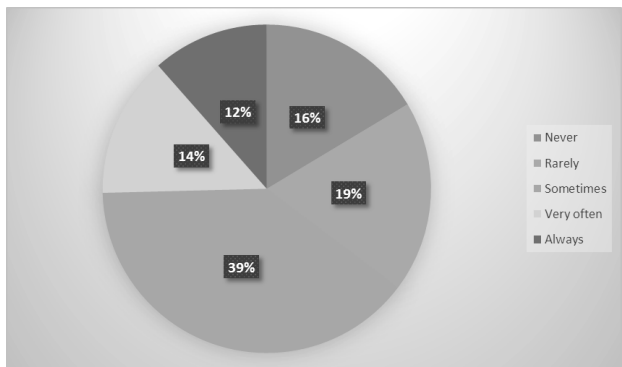


Source: Authors' research.

A lecture is the most traditional training method. It is cost-effective and suited for presenting material to large groups of employees. However, it is rarely used in comparison to other methods, as can be seen from Figure 5. Only 25.4% of the re-

spondents reported using it very often or always. From the data in Figure 5, it is apparent that this method was used sometimes by 39.30% of the respondents, while 35.3% reported using it never or rarely.

Figure 5 Lecture

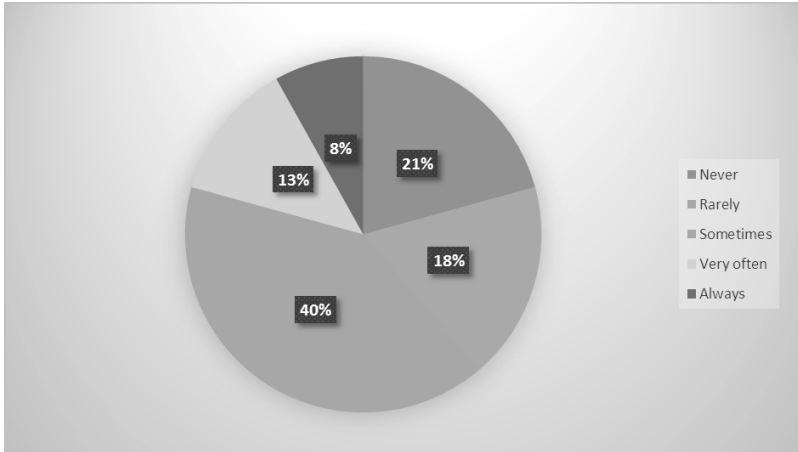


Source: Authors' research.

Considering that there are many different training methods, not all of them could be included in the survey questionnaire. This is why the option “Other training methods” was added to answer choices. The results of the analysis indicate that 40.5% of the

respondents reported using other training methods sometimes. 20.7% of them reported using them very often or always, while 38.7% used them never or rarely.

Figure 6 Other training methods



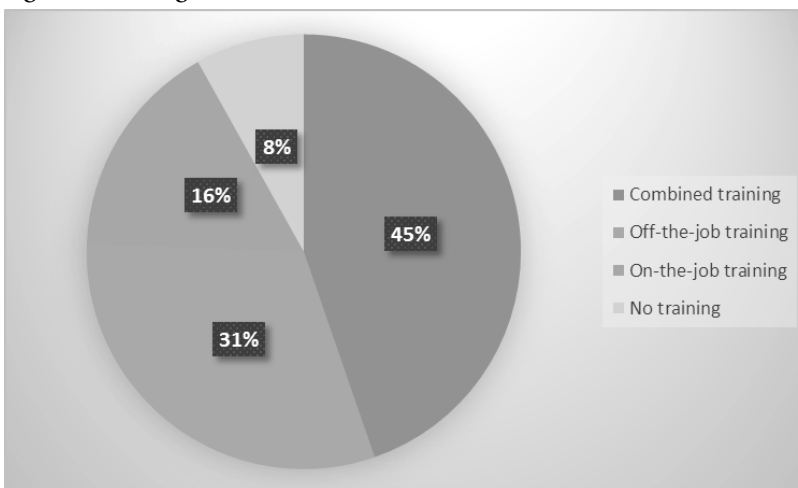
Source: Authors' research.

Furthermore, the results indicate that combined on- and off-the-job training maximises exploitation of tacit knowledge in municipal service companies.

When it comes to employer-sponsored training, 55 respondents (44.7%) received training both on and

off the job, 20 (16.3%) received on-the-job training, while 38 (30.9%) participated in the off-the-job training. Ten respondents (8.1%) reported not having received any training at all.

Figure 7 Training venue



Source: Authors' research.

6. Conclusion

The findings of this study provide guidance on how to implement effective employee training programmes and encourage employee participation. Employee training is a vital function of any company, municipal service companies included. The paper defines employee training as the process through which new knowledge and skills are acquired. To survive and prosper, companies need to continuously reinvent their business models, improve their performance, agility and efficiency through continuous training of their employees. For a training programme to be successful, training needs analyses have to be performed first, taking into consideration the needs of the company and the employees, as well as the gaps in terms of skills needed for the performance of particular tasks. The needs analyses serve as the basis for designing the training plan and formulating the training objectives. Once the objectives have been set, a decision must be made on the most appropriate training method. The two most commonly used methods include on- and off-the-job training. The research has shown that both of these training methods have advantages and disadvantages. The managers are responsible for choosing the training method that will cater to the particular needs of the company and employees in terms of closing employee knowledge and skills gaps. Outside professional trainers may not be well acquainted with the company's specific operations, procedures and organisational culture. This is not the case with on-the-job training. Even though on-the-job training may seem

more cost-effective, managers who deliver it have to take time away from their everyday tasks. Thus, it is important that they delegate their tasks to others for the duration of the training. The results of the survey show that the most commonly used training methods were lectures and traineeships, followed by student practice, mentoring and internships. These methods are particularly suited for persons with very little or no experience. The study found that once they reach a certain level of competence, employees are left to their own devices in terms of developing their skills and acquiring new knowledge.

The study raises the question whether companies provide their employees with sufficient training opportunities to increase their knowledge and skills, thus enhancing their professional and personal development and career prospects. Further research should be done to investigate the advantages and disadvantages of on- and off-the-job training and make recommendations as to their appropriateness for specific situations.

Companies should continually strive for business excellence. Based on the data collected, it can be concluded that municipal service companies still significantly lag behind other modern companies in terms of the implementation of employee training programmes. Companies should invest in the training of their employees with the view of improving their performance and satisfaction, thereby improving the performance of the company. This will, in turn, increase the satisfaction of service users.

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METODE EDUKACIJE U KOMUNALNIM PODUZEĆIMA

SAŽETAK

Utjecaj promjena na suvremeno poslovanje je velik. Neovisno na kojem radnom mjestu zaposlenik radi svakodnevno se susreće s promjenama koje mogu izazivati strah od nepoznatog, nervozu te demotiviranje za nove uspjehe u radu. Sve je više specifičnosti u poslovnim procesima te se sve više traži fleksibilnost poslovnih subjekata pri odgovoru na zahtjeve tržišta i poslovne okoline. Ciljana i kontinuirana edukacija pomaže stjecanju znanja potrebnih za nošenje s navedenim izazovima u poslovanju te omogućava zaposlenicima lakše nošenje s izazovima koji nastaju pri njihovom obavljanju svakodnevnih aktivnosti.

Tvrtkama je glavni cilj poslovanja stvaranje vrijednosti, a sve više dolaze do spoznaje da je jedan od najvažnijih resursa za postizanje toga cilja ljudski potencijal. Uspjeh tvrtke danas uvelike ovisi o kompetencijama i motivaciji zaposlenika. Sve izazovnije je motivirati zaposlenike i održavati njihov angažman, te imati realizaciju posla na željenoj razini. Jedan od značajnih čimbenika prema tome je svakodnevno pružanje podrške u obliku edukacije.

Ovim su radom dani rezultati statističke obrade anketno prikupljenih podataka vezanih za metode edukacije zaposlenika u komunalnim poduzećima Republike Hrvatske. Dana je analiza različitih vrsta edukacije prisutne na tržištu te je ukazano na važnost i svrhu određenih metoda.

Ključne riječi: edukacija, komunalna poduzeća, poslovna organizacija, motivacija